

contravention of applicable law from any third-party source; or (iii) the other party is ordered or required to disclose by any applicable law or competent judicial, governmental or other authority. This Section 18 shall survive the expiration of the Term or any renewed or extended term hereof or earlier termination of the Agreement.

Section 19. Indemnification

The parties will indemnify and hold each other harmless from and against all losses, liability, and expenses arising from damage to property or the injury or death of any person, when such injury or damage is caused by the indemnifying party's willful breach or negligence in its performance of its obligations under this Agreement; provided, however, that in the event such injury or damage is caused in part by the negligence of both parties, then each party will contribute to the extent of its fault.

Section 20. Miscellaneous

(a) Producer and IBP shall use reasonable efforts to settle any dispute, claim, question or disagreement arising out of, or relating to, this Agreement or any alleged breach of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa.

(b) IBP and Producer agree that the relationship between them is that of independent contractors. Nothing in this Agreement shall constitute either Producer or IBP as agent, representative, partner, joint venturer or employee of the other party. Neither Producer nor IBP shall have, nor shall either represent itself as having, any right, power or authority to create any agreement or obligations, either express or implied, on behalf of, in the name of, or binding upon the other party, or to pledge the other's credit or to extend credit in the other's name unless the other party shall provide advance written consent thereto.

© If there is a final determination that this Agreement violates any federal, state or local law, the Agreement will automatically terminate and the parties will have no further obligations other than to repay the Deficiency Account or Reserve Account.

(d) If Producer chooses to produce and market additional Market Hogs, IBP shall have a right of first refusal to purchase the additional production. If IBP exercises this right a contract with terms similar to this Agreement will be executed between the parties for the additional production, subject to any changes mutually agreed upon by the parties.

Section 21. Non-Exclusivity

This Agreement shall not be exclusive to Producer, but instead may be offered by IBP to other producers.

By: _____
Title: Managing Partner

By: _____
Title: Assistant Manager

IBP, inc.

By: Richard V. Bond
Title: President - Fresh Meats